
AGENCY: State Fiscal Accountability Authority, Office of Executive Director

SUBJECT: Bank Account Transparency and Accountability

Proviso 117.82 (GP: Bank Account Transparency and Accountability) of the Fiscal Year 2019-20 Appropriations Act requires agencies with composite reservoir bank accounts or other accounts which are not included in the South Carolina Enterprise Information System (SCEIS) to prepare a report disclosing transaction information from the prior fiscal year. State institutions of higher learning are exempted from this requirement. The proviso also provides for an agency to petition the State Fiscal Accountability Authority for an exemption from the detailed reporting requirements if release of the information would be detrimental to the state or agency. Agencies exempted from the detailed transaction reporting by action of the former Budget and Control Board must provide the following information for each account: 1) Name of the account; 2) Names and titles of each person responsible for making withdrawals and deposits in the account; 3) Names and titles of each person responsible for reconciling each account; 4) the beginning balance, total deposits, total expenditures and year-end balance of the account.

The SFAA Office of Executive Director requested state agencies to provide the required reports by October 1, 2020. The reports received from the various state agencies have been submitted to the Comptroller General's Office to be posted on its website. Attached is a list which submitted a report in accordance with Proviso 117.82 of the FY 2019 -20 Appropriations Act.

One agency has requested an exemption from the reporting requirements of Proviso 117.82:

South Carolina Department of Employment and Workforce

AUTHORITY ACTION REQUESTED:

- a) Receive as information the list of agencies which have submitted reports in accordance with Proviso 117.82, concerning bank account transparency and accountability.
- b) Grant approval for the South Carolina Department of Employment and Workforce's request for exemption from the detailed reporting requirements of Proviso 117.82 for the accounts used to pay benefits to individuals under State and Federal unemployment assistance programs, specifically the Unemployment Insurance Benefit, Lost Wage Assistance, and Trade Adjustment Assistance accounts, except that the agency will provide the following information 1) Name of the account; 2) Names and titles of each person responsible for making withdrawals and deposits in the account; 3) Names and titles of each person responsible for reconciling each account; 4) the beginning balance, total deposits, total expenditures and year-end balance of the account.
- c) Request the State Auditor's Office to continue to include a review of agency composite accounts when performing audits of agencies.

ATTACHMENTS:

Proviso 117.82; Summary of Agency responses; Letter from James Michaelson, Chief Financial Officer, SC Department of Employment and Workforce.

H. 4000
General Appropriations Bill for Fiscal Year 2019-2020
Ratified Version

PART IB
SECTION 117 - X900 - GENERAL PROVISIONS

117.82. (GP: Bank Account Transparency and Accountability) Each state agency, except state institutions of higher learning, which has composite reservoir bank accounts or any other accounts containing public funds which are not included in the Comptroller General's South Carolina Enterprise Information System shall prepare a report for each account disclosing every transaction of the account in the prior fiscal year. The report shall be submitted to the State Fiscal Accountability Authority by October first of each fiscal year. The report shall include the name(s) and title(s) of each person authorized to sign checks or make withdrawals from each account, the name and title of each person responsible for reconciling each account, the beginning and year-end balance of funds in each account, and data related to both deposits and expenditures of each account. The report shall include, but not be limited to, the date, amount, and source of each deposit transaction and the date, name of the payee, the transaction amount, and a description of the goods or services purchased for each expenditure transaction. To facilitate review, the State Fiscal Accountability Authority shall prescribe a common format for the report which agencies must use. In order to promote accountability and transparency, a link to the report shall be posted on the Comptroller General's website as well as the agency's homepage.

When the State Auditor conducts or contracts for an audit of a state agency, accounts of the agency subject to this proviso must be included as part of the review.

If an agency determines that the release of the information required in this provision would be detrimental to the state or the agency, the agency may petition the State Fiscal Accountability Authority to grant the agency an exemption from the reporting requirements for the detrimental portion. The meeting to determine whether an exemption should be granted shall be closed. However, the exemption may only be granted upon a majority vote of the State Fiscal Accountability Authority in a public meeting.

FY 2019-2020 AGENCY COMPOSITE BANK ACCOUNTS

AGENCY	EXEMPTION REQUESTED	EXEMPTION GRANTED	REPORT RECEIVED
ADJUTANT GENERAL'S OFFICE	NO		YES
ARTS COMMISSION	NO		YES
ATTORNEY GENERAL'S OFFICE	YES	YES	YES
DEPARTMENT OF COMMERCE	NO		YES
DEPARTMENT OF COMMERCE - PALMETTO RAILWAYS	NO		YES
DEPARTMENT OF CORRECTIONS	YES	YES	YES
DEPARTMENT OF DISABILITIES & SPECIAL NEEDS	YES	YES	YES
DEPARTMENT OF EDUCATION (GOV SCHOOL S&M)	NO		YES
DEPARTMENT OF EMPLOYMENT AND WORKFORCE	YES	Request Submitted	YES
DEPARTMENT OF HEALTH & HUMAN SERVICES	NO		YES
DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL	NO		YES
DEPARTMENT OF JUVENILE JUSTICE	YES	YES	YES
DEPARTMENT OF LABOR, LICENSING AND REGULATION	NO		YES
DEPARTMENT OF MOTOR VEHICLES	YES	YES	YES
DEPARTMENT OF NATURAL RESOURCES	YES	YES	YES
DEPARTMENT OF PARKS RECREATION AND TOURISM	NO		YES
DEPARTMENT OF PUBLIC SAFETY	YES	YES	YES
DEPARTMENT OF REVENUE	YES	YES	YES
DEPARTMENT OF SOCIAL SERVICES	YES	YES	YES
DEPARTMENT OF TRANSPORTATION	NO		YES
GOVERNOR'S MANSION AND GROUNDS	NO		YES
JOBS ECONOMIC DEVELOPMENT AUTHORITY	NO		YES
JOHN DE LA HOWE SCHOOL	YES	YES	YES
SC LAW ENFORCEMENT DIVISION	YES	YES	YES
SCHOOL FOR THE DEAF AND BLIND	NO		YES
SECRETARY OF STATE	NO		YES
VOCATIONAL REHABILITATION DEPARTMENT	YES	YES	YES
WIL LOU GRAY OPPORTUNITY SCHOOL	YES	YES	YES

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Henry McMaster
Governor

G. Daniel Ellzey
Executive Director

October 26, 2020

TO: Grant Gillespie
Executive Director
SC State Fiscal Accountability Authority

FROM: James Michaelson 
Chief Financial Officer

SUBJECT: Composite Account Exemption Request
Bank Account Transparency and Accountability (Proviso 117.82)

The South Carolina Department of Employment and Workforce is seeking an exemption to detailed transaction reporting as required by Proviso 117.82 on Bank Account Transparency and Accountability based on the confidential nature of the transactions processed using our Bank of America Unemployment Insurance Benefit payment, Lost Wage Assistance, and Trade Adjustment Assistance accounts. These accounts are used to pay benefits to individuals under State and Federal unemployment assistance programs.

We are seeking to substitute the large volume of individual confidential payee transactions which would require redaction of names to conform to Federal rules with aggregate beginning balance, total deposits, total withdrawals, and ending balances for each account.